

Chair appoint the conferees on the part of the Senate.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Florida.

The motion was agreed to; and the Presiding Officer appointed Mr. MONROE, Mr. ENGLE, and Mr. COTTON conferees on the part of the Senate.

TERMS OF OFFICE OF MEMBERS OF CERTAIN REGULATORY AGENCIES

Mr. SMATHERS. Mr. President, I ask the Chair to lay before the Senate a message from the House on the bill (S. 1965) to make uniform provisions of law with respect to the terms of office of the members of certain regulatory agencies, with the amendment of the House thereto.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1965) to make uniform provisions of law with respect to the terms of office of the members of certain regulatory agencies, which was, to strike out all after the enacting clause and insert:

That the second sentence of the first section of the Federal Power Act (16 U.S.C. 792) is amended to read as follows: "Their successors shall be appointed each for a term of five years from the date of the expiration of the term for which his predecessor was appointed and until his successor is appointed and has qualified, except that he shall not so continue to serve beyond the expiration of the next session of Congress subsequent to the expiration of said fixed term of office, and except that any person appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the unexpired term."

Sec. 2. The first sentence of subsection (c) of section 4 of the Communications Act of 1934 (47 U.S.C. 154(b)) is amended to read as follows: "The Commissioners first appointed under this Act shall continue in office for the terms of one, two, three, four, five, six, and seven years, respectively, from the date of the taking effect of this Act, the term of each to be designated by the President, but their successors shall be appointed for terms of seven years and until their successors are appointed and have qualified, except that they shall not continue to serve beyond the expiration of the next session of Congress subsequent to the expiration of said fixed term of office; except that any person chosen to fill a vacancy shall be appointed only for the unexpired term of the Commissioner whom he succeeds."

Sec. 3. The fourth sentence of subsection (a) of section 4 of the Securities Exchange Act of 1934 (15 U.S.C. 78 (d)) is amended to read as follows: "Each Commissioner shall receive a salary at the rate of \$20,000 a year and shall hold office for a term of five years and until his successor is appointed and has qualified, except that he shall not so continue to serve beyond the expiration of the next session of Congress subsequent to the expiration of said fixed term of office, and except (1) any Commissioner appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term, and (2) the terms of office of the Commissioners first taking office after the enactment of this title shall expire as designated by the President at the time of nomination, one at the end of one year, one at the end of two years, one at the end of three years, one at the

end of four years, and one at the end of five years, after the date of the enactment of this title."

Mr. SMATHERS. Mr. President, I move that the Senate concur in the amendment of the House.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Florida.

The motion was agreed to.

AMENDMENT OF INTERSTATE COMMERCE ACT, RELATING TO "GRANDFATHER" RIGHTS

Mr. SMATHERS. Mr. President, I ask the Chair to lay before the Senate a message from the House on the bill, S. 1509, to amend the Interstate Commerce Act, as amended, to provide "grandfather" rights for certain motor carriers and freight forwarders operating in interstate or foreign commerce within Alaska and between Alaska and the other States of the United States, and for certain water carriers operating within Alaska, and for other purposes, with the amendments of the House thereto.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 1509) to amend the Interstate Commerce Act, as amended, to provide "grandfather" rights for certain motor carriers and freight forwarders operating in interstate or foreign commerce, within Alaska and between Alaska and the other States of the United States, and for certain water carriers operating within Alaska, and for other purposes, which were, on page 2, line 1, strike out "amendment" and insert "paragraph"; on page 2, line 7, strike out "May 15," and insert "August 26,"; on page 3, line 6, strike out "1959" and insert "1960"; on page 3, line 16, strike out "May 15," and insert "August 26,"; on page 4, line 5, strike out "1959" and insert "1960"; on page 4, lines 21 and 22, strike out "amendment" and insert "paragraph"; on page 5, line 3, strike out "May 15," and insert "August 26,"; on page 6, line 2, strike out "1959" and insert "1960"; on page 6, line 11, strike out "May 15," and insert "August 26,"; on page 6, line 24, strike out "1959" and insert "1960"; on page 8, line 1, strike out "May 15," and insert "August 26,"; on page 8, line 15, strike out "1959" and insert "1960"; on page 9, line 4, strike out "May 15," and insert "August 26,"; on page 9, line 16, strike out "1959" and insert "1960"; on page 10, line 3, strike out "paragraph:" and insert "paragraphs:"; on page 10, line 6, strike out "May 15," and insert "August 26,"; on page 10, line 22, strike out "1959" and insert "1960"; on page 11, line 3, strike out "require." and insert "require."; on page 11, after line 3, insert:

(3) Subject to the provisions of the last sentence of subsection (c) of this section, if any person (or his predecessor in interest) was engaged in service on June 27, 1959, between places in the Territory of Hawaii and places in the United States, and between places in the Territory of Hawaii, which service either would have been subject to this part or which, in conjunction with the services of other carriers, resulted in the transportation of property between such

places whether or not all of such transportation would have been service subject to this part, and has so operated since that time (or if engaged in furnishing seasonal service only, was engaged in such operations in the year 1959 during the season ordinarily covered by its operations, and such operations have not been discontinued), except in either instance as to interruptions of service over which such person or his predecessor in interest had no control, a permit shall be issued authorizing such operations without further proceedings if application for such permit is made as provided herein on or before December 31, 1960. Pending the determination of any such application, the continuance of such operations without a permit shall be lawful. Applications for permits under this paragraph shall be filed with the Commission in writing, and in such form, contain such information, and be accompanied by proof of service upon such interested parties as the Commission shall require.

On page 11, line 8, strike out "or"; on page 11, line 10, strike out "States." and insert "States or common carriers by water operating between Hawaiian ports, and between those ports and other ports in the United States."; and to amend the title so as to read: "An act to amend the Interstate Commerce Act, as amended, to provide 'grandfather' rights for certain motor carriers and freight forwarders operating in interstate or foreign commerce within Alaska and between Alaska and the other States of the United States, and for certain water carriers operating within Alaska, to provide 'grandfather' rights for certain freight forwarders operating between Hawaii and the other States of the United States, and for other purposes."

Mr. SMATHERS. Mr. President, I move that the Senate concur in the amendments of the House.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Florida.

The motion was agreed to.

SELF-EMPLOYED INDIVIDUALS TAX RETIREMENT ACT OF 1960

The Senate resumed the consideration of the bill (H.R. 10) to encourage the establishment of voluntary pension plans by self-employed individuals.

Mr. SMATHERS. Mr. President, I will say, for the information of Senators present, that as soon as the able Senator from Delaware concludes his presentation I shall suggest the absence of a quorum. The majority leader will then come to the Chamber and the Senate will vote on the conference report on the Defense Department appropriations bill.

Mr. WILLIAMS of Delaware. Mr. President, are any amendments pending to H.R. 10?

The PRESIDING OFFICER. There are no amendments pending, other than the committee amendment in the nature of a substitute.

Mr. WILLIAMS of Delaware. Mr. President, I call up my amendment designated 6-23-60-C and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 94, following line 2, it is proposed to add the following:

SEC. 9. OTHER INCOME TAX CHANGES.

(a) Section 613(b)(1) of the Internal Revenue Code (relating to percentage depletion rates) is amended by striking out 27½ percent and inserting in lieu thereof 22½ percent, to read "2½ percent—oil and gas wells."

(b) Section 1(c) of the Internal Revenue Code of 1954 (relating to rates of tax on individuals) is amended by striking out in the last sentence 87 percent and inserting in lieu thereof 60 percent, to read, "The tax shall in no event exceed 60 percent of the taxable income for the taxable year."

(c) The amendments made by section 9 of this Act shall apply to taxable years beginning after December 31, 1960.

Mr. WILLIAMS of Delaware. Mr. President, I shall not attempt to discuss the amendment at this time. I know Senators wish to consider the conference report on the Defense Department appropriation bill. A little later I shall discuss the amendment, and I shall ask for a ye-a-and-nay vote.

Briefly, Mr. President, I wish to point out that the first purpose of the amendment is to reduce the present depletion rates for oil and gas wells from 27½ percent to 22½ percent. Based upon the Treasury Department estimate, this would bring in additional revenue of \$140 million.

The second section of the amendment would reduce the present 87-percent ceiling on the effective tax rate of individuals to 60 percent. Based upon the Treasury Department estimate, this would result in a loss of \$100 million of revenue.

The net effect of the amendment, if adopted, will be to bring into the Federal Treasury an additional \$40 million and to make a long overdue correction in our existing tax rates.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a letter from Mr. Fred C. Scribner, Jr., Under Secretary of the Treasury, in which he gives estimates as to the amounts of revenue loss and revenue gain involved in changing the 87-percent ceiling on the effective tax rate of individuals down to as low as 50 percent, and in changing the 27½-percent rate on oil and gas depletion to as low as 15 percent, each estimate having various levels.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

TREASURY DEPARTMENT,
Washington, D.C., January 18, 1960.
Hon. JOHN J. WILLIAMS,
Senate Office Building,
Washington, D.C.

DEAR SENATOR WILLIAMS: Rough estimates of the tax proposals specified in your letter dated January 4, 1960, to the Secretary, are shown below:

	Approximate revenue loss (million dollars)
1. Reduce the present 87-percent ceiling on the effective tax rate of individuals to:	
(a) 75 percent.....	10
(b) 70 percent.....	20
(c) 65 percent.....	40
(d) 60 percent.....	100
(e) 50 percent.....	400

2. Reduce the ceiling on capital gains rates for individuals from 50 percent to 40 percent (i.e., reduce the alternative tax rate to 20 percent) - 200

	Net revenue gain (million dollars)
3. Reduce the present 27½-percent rate on oil and gas depletion to:	
(a) 25 percent.....	70
(b) 22½ percent.....	210
(c) 20 percent.....	210
(d) 17½ percent.....	280
(e) 15 percent.....	350

The estimates in item 3 are net of the eventual decrease in individual income tax liabilities because of decreased corporate dividends, and refer to the effect on domestic production only. We feel that any net gain from lower rates on foreign production could be quickly nullified by the foreign governments involved or through foreign tax credits which are at present unused (especially in the Western Hemisphere).

Sincerely yours,

FRED C. SCRIBNER, JR.,

Under Secretary of the Treasury.

Mr. WILLIAMS of Delaware. Mr. President, later when more Senators are present, I shall ask for a ye-a-and-nay vote on the amendment.

Mr. SMATHERS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

[No. 267]

Alken	Eastland	McGee
Allott	Fong	McNamara
Anderson	Goldwater	Morse
Beall	Green	Pastore
Bennett	Hartke	Prouty
Bible	Hayden	Saltonstall
Brunsdale	Hickenlooper	Smathers
Bush	Holland	Symington
Chavez	Humphrey	Talmadge
Clark	Jackson	Wiley
Curtis	Johnston, S.C.	Williams, Del.
Dodd	Keating	Yarborough
Douglas	Kuchel	
Dworshak	Lausche	

The PRESIDING OFFICER (Mr. McGEE in the chair). A quorum is not present.

Mr. BIBLE. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. BARTLETT, Mr. BUSH, Mr. BUTLER, Mr. BYRD of Virginia, Mr. BYRD of West Virginia, Mr. CANNON, Mr. CAPEHART, Mr. CARLSON, Mr. CASE of New Jersey, Mr. CASE of South Dakota, Mr. CHURCH, Mr. COTTON, Mr. DIRKSEN, Mr. ELLENDER, Mr. ENGLE, Mr. ERVIN, Mr. FREAR, Mr. GORE, Mr. GRUENING, Mr. HART, Mr. HILL, Mr. HRUSKA, Mr. JAVITS, Mr. JOHNSON of Texas, Mr. JORDAN, Mr. KERR, Mr. LONG of Hawaii, Mr. LONG of Louisiana, Mr. LUSK, Mr. MAGNUSON, Mr. MCCARTHY, Mr. McCLELLAN, Mr. MORTON, Mr. MOSS, Mr. MUNDT, Mr. MUSKIE, Mr. PROXMIER, Mr. RANDOLPH, Mr. ROBERTSON, Mr. RUSSELL, Mr. SCHOEPFEL, Mrs. SMITH, Mr. SPARKMAN, Mr. STENNIS, Mr. THURMOND, Mr. WILLIAMS of New Jersey, Mr. YOUNG of North

Dakota, and Mr. YOUNG of Ohio, entered the Chamber and answered to their names.

The PRESIDING OFFICER. A quorum is present.

DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1961—CONFERENCE REPORT

Mr. CHAVEZ. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11998) making appropriations for the Department of Defense for the fiscal year ending June 30, 1961, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report. (For conference report, see House proceedings of June 29, 1960, pp. 13891-13892, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. CHAVEZ. Mr. President, in order to save a little time, I ask unanimous consent that the remarks I intended to make on the conference report together with a chart showing congressional action on the appropriation bill, be inserted in the RECORD at this time.

There being no objection, the statement and chart were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR CHAVEZ

The conference report on H.R. 12998, the Department of Defense Appropriation Bill for 1961 contains a total of \$39,996,608,000. This is \$661,608,000 over the budget estimate; \$658,741,000 over the amount allowed by the House; and \$518,389,000 under the amount allowed by the Senate. Obviously, neither the House conferees nor the Senate conferees were able to secure approval of all items their respective Houses had previously approved. However, generally speaking, I believe that Senators will agree that this is a strong bill and one to which you can lend your support.

Senators have on their desks copies of the conference report containing all of the changes made in the bill.

In title I, dealing with military personnel, the only major change was to accede to the House demand to maintain the Marine Corps at a strength of 175,000 rather than the Senate-approved strength of 200,000. The conferees also agreed to accept the Senate restoration for travel funds needed for overseas movement of troops and other purposes.

In title II of the bill the conferees agreed to most of the actions taken by the Senate in across-the-board cuts made by the House. An additional \$5 million was provided for the technicians' program in the Army National Guard and \$11,291,000 for the Air National Guard's conversion program.

In title III, "Procurement," the conferees agreed upon \$162,102,000 above the budget for Army modernization plus the utilization of an estimated \$120 million of MAP reimbursements for shelf items. For the Department of the Navy the conferees agreed upon full funding in the amount of \$293 million for the construction of a conventionally powered aircraft carrier, the inclusion of an at-